



Natural Energy Utility Corporation

2560 Hoods Creek Pike • Ashland, Kentucky 41102

RECEIVED

MAR 20 2008

PUBLIC SERVICE
COMMISSION

Ms. Beth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Blvd.
Frankfort, KY 40602

March 19, 2008

Case #: 2007-00212

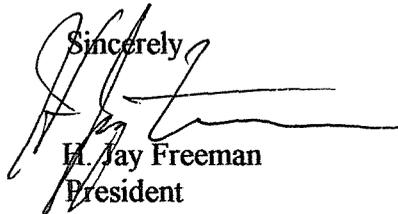
Dear Ms. O'Donnell

Please be advised that Natural Energy Utility Corporation (NEUC) has acquired the assets of American Natural Gas Corporation (ANGC) pursuant to the Order issued in Case # 2002-00050. NEUC is adopting the Rules, Rates and Regulations enforced by ANGC pursuant to Administrative Regulation 807 KAR 5:011, Section 15(6).

Natural Energy Utility Corporation is filing its quarterly gas cost report with the Kentucky PSC. The enclosed report has a case number of 2007-00212. The calculated gas cost recovery rate enclosed in this report is \$7.1188 and the base rate is \$4.24. The minimum billing rate starting July 1, 2007 should be \$11.3588 for all MCF.

Thank you for your cooperation and please call me if you have any questions.

Sincerely



H. Jay Freeman
President

Enclosure



FOR Entire Service Area

P.S.C. KY. NO. 2002-00192

ORIGINAL SHEET NO. 2

NATURAL ENERGY UTILITY CORPORATION

CANCELLING P.S.C. KY. NO. U

SHEET NO. V

RULES AND REGULATIONS

2) RATES:

The following rates are applicable for service rendered on a monthly basis:

Minimum bill: \$11.3588 - covers 0-1 MCF
Cost Per MCF: \$11.3588

A copy of the Company's billing format is attached on Sheet 21.

2(A) Any customer complaining to the Company about a bill or service shall be notified of his right to file a complaint with the PSC and with all other information required by 807 KAR 5:006(9).

3) CUSTOMER CLASSIFICATIONS:

Residential: Service to customers who consists of direct natural gas usage in a residential dwelling for space heating, air conditioning, cooking, water heating and other residential uses.

Commercial: Service to customers engaged primarily in the sale of goods or service including institutions and local and federal government agencies for uses other than those involving manufacturing or electric power generation.

- a) Small Commercial: up to 50MCF/day
- b) Large Commercial: more than 50MCF/day

DATE OF ISSUE 05/20/02 DATE EFFECTIVE 07/01/07
MONTH DAY YEAR MONTH DAY YEAR

ISSUED BY H. JAY FREEMAN MGR. President
NAME OF OFFICER TITLE



Steven L. Beshear
Governor

Robert D. Vance, Secretary
Environmental and Public
Protection Cabinet

Larry R. Bond
Commissioner
Department of Public Protection

Commonwealth of Kentucky
Public Service Commission
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Mark David Goss
Chairman

John W. Clay
Commissioner

Caroline Pitt Clark
Commissioner

March 17, 2008

H. Jay Freeman
General Manager
Natural Energy Utility Corporation
2560 Hoods Creek Pike
Ashland, KY. 41102

RE: Case No. 2007-00212
Reminder Letter

The Commission entered the enclosed Final Order in this case on June 22, 2007. It was ordered that "Within 20 days of the date of this Order, NEUC shall file, with the Commission, its revised tariff sheets setting out the rates authorized herein."

To date, this information has not been received. Please send the requested document within 15 days from the date of this letter. Please mail this response to Michael F. Burford, Director of Filings Division, Public Service Commission, 211 Sower Blvd., Post Office Box 615, Frankfort, Kentucky 40602.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael F. Burford".

Michael F. Burford
Director
Division of Filings

Enclosure
/mb

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF NATURAL)	CASE NO. 2007-00212
ENERGY UTILITY CORPORATION)	

ORDER

On December 18, 1991, in Case No. 1991-00138, the Commission approved rates for NEUC Utility Corporation ("NEUC"), formerly American Natural Gas Corporation, and provided for their further adjustment in accordance with NEUC's gas cost adjustment ("GCA") clause.¹

On May 30, 2007, NEUC filed its proposed GCA to be effective July 1, 2007.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. NEUC's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. NEUC's notice sets out an expected gas cost ("EGC") of \$7.3958 per Mcf. NEUC incorrectly calculated an adjustment for line loss in its calculation of the total EGC. Correcting for this error produces an EGC of \$7.2218 per Mcf, which is a decrease of 40.98 cents per Mcf from the previous EGC of \$7.6316.
3. NEUC's notice sets out no current quarter supplier refund adjustment ("RA"). NEUC's notice sets out no total RA.

¹ Case No. 1991-00138, Columbia Gas of Kentucky, Inc. vs. Kentucky-Ohio Gas Company.

4. NEUC's notice sets out a current quarter actual adjustment ("AA") of .8 cent per Mcf. NEUC incorrectly used its GCA rather than its EGC in calculating its monthly cost difference. Correcting for this produces a current quarter AA of (27.35) cents per Mcf. NEUC's total AA is (10.3) cents per Mcf, which is an increase of 85.77 cents per Mcf from the previous total AA.

5. NEUC's GCA is \$7.1188 per Mcf, which is an increase of 44.79 cents per Mcf from the previous GCA of \$6.6709.

6. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for billing for service rendered by NEUC on and after July 1, 2007.

IT IS THEREFORE ORDERED that:

1. The rates proposed by NEUC are denied.
2. The rates in the Appendix, attached hereto and incorporated herein, are approved for billing for service rendered on and after July 1, 2007.
3. Within 20 days of the date of this Order, NEUC shall file with the Commission its revised tariff sheets setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 22nd day of June , 2007.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2007-00212 DATED JUNE 22, 2007

The following rates and charges are prescribed for the customers in the area served by NEUC Utility Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

RATES:

<u>Monthly</u>	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total Rate</u>
All Mcf	\$4.24	\$7.1188	\$11.3588

Minimum Bill

The minimum bill shall be \$11.3588.